

Treasury Daily Newsletter

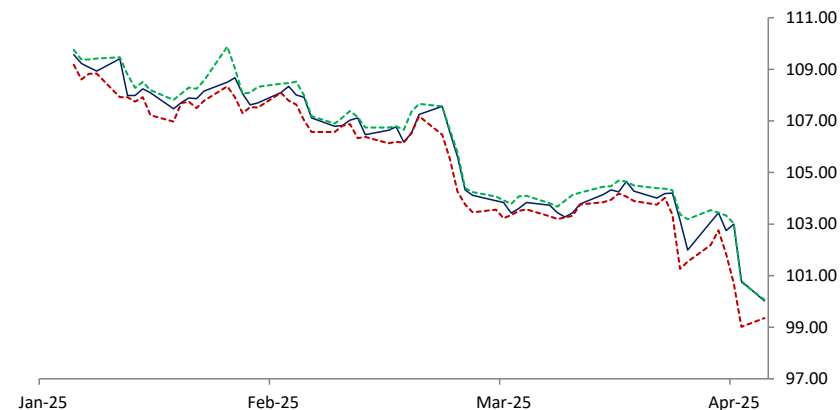
14-Apr-25

Kuwaiti Dinar Today 0.30685 / 0.30695

Key Market Highlights:

- Inflation in the United States eased notably in March, with the annual CPI dropping to 2.4% from 2.8% in February, and monthly prices falling for the first time since May 2020. Core inflation also slowed to 2.8%, the lowest in nearly four years. While this offers some relief to the Federal Reserve, economists caution that Trump's sweeping tariffs could reverse the trend by pushing prices higher. Food prices rose 0.5%, with egg prices jumping 5.9% month-over-month and 60.4% annually due to ongoing avian flu impacts. Shelter costs, a major inflation driver, eased slightly, while energy prices declined. Airline fares fell 5.3%, and recreation costs dipped, signaling weaker discretionary spending. Meanwhile, U.S. wholesale prices also fell more than expected in March, suggesting inflationary pressures were easing before reaching consumers. The Producer Price Index (PPI) dropped 0.4% month-over-month and slowed to an annual rate of 2.7%, down from 3.2%. A major driver of the decline was a 4% drop in energy prices, influenced by weak demand, rising supply, and recession fears. Food prices also fell, down 2.1%. Core PPI, which excludes food and energy, dipped 0.1% and rose just 3.3% annually—the slowest pace since September—offering further signs of cooling inflation. The report comes ahead of the full impact of President Trump's new trade policies.
- U.S. consumer confidence declined further in April, with the University of Michigan's Consumer Sentiment Index falling to 50.8 from 57 in March—well below expectations of 54.5. The drop reflected weaker assessments of both current conditions, which fell to 56.5 from 63.8, and future expectations, which declined to 47.2 from 52.6. Inflation concerns also intensified, with the one-year outlook surging to 6.7% from 5% and the five-year outlook rising to 4.4% from 4.1%. Finally, the survey showed the highest share of consumers expecting higher unemployment in the next year since 2009.

U.S. Dollar Index
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1275	1.1310	1.1370	1.1430	1.1475
GBP	1.3000	1.3050	1.3110	1.3160	1.3210
JPY	142.00	142.50	143.00	143.50	144.00
CHF	0.8060	0.8100	0.8165	0.8210	0.8270

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.1360	10.24	EUR/GBP	0.8679	4.82
GBP/USD	1.3080	5.16	GBP/JPY	187.64	4.77
USD/JPY	143.51	9.21	EUR/JPY	162.94	0.42
USD/CHF	0.8151	10.30	EUR/CHF	0.9254	1.12

Brief Technical Commentary

The USD continues its decline against the EUR and most other currencies, DXY is still below the 100.00 level and is currently at 99.675 level. For EURUSD, if the pair can break above the 1.1400 level it will test resistance at 1.1430 followed by the previous high of 1.1475. Support for the pair is at 1.1310 followed by 1.1275. We have the ECB rate decision on Thursday.

USDJPY is still unable to breach the 142.00 level as it was approaching oversold territory on the RSI, and is currently at 143.00. Support for the pair is at 142.50 and a move below the previous lows could see us test support 2 at 141.50. Resistance on the other hand is 143.50 followed by 144.00. We have Japan CPI figures this Friday.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	69.04	1.67	Dow Jones	37,965.60	0.91
Brent	64.59	0.15	Nikkei 225	33,585.58	2.96
West Texas Gold	61.81	2.21	S&P 500	5,363.36	1.80
	3,231.60	0.14	KuwaitSE	7,808.26	0.43

Economic Events	Country	Event	Actual	Forecast	Previous
15-Apr-25	GBP	Claimant Count Change		30.3K	44.2K
15-Apr-25	CAD	CPI m/m		0.7%	1.1%
16-Apr-25	CNY	GDP q/y		5.2%	5.4%
16-Apr-25	CNY	Retail Sales y/y		4.2%	4.0%
16-Apr-25	GBP	CPI y/y		2.7%	2.8%
16-Apr-25	USD	Retail Sales m/m		1.4%	0.2%
16-Apr-25	CAD	Overnight Rate		2.75%	2.75%
16-Apr-25	USD	Fed Chair Powell Speaks			
17-Apr-25	EUR	Main Refinancing Rate		2.40%	2.65%
17-Apr-25	USD	Unemployment Claims		225K	223K

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.50	3.75	4.00	4.19	4.38
USD	4.37	4.32	4.26	4.10	3.85
EUR	2.39	2.30	2.28	2.24	2.17
GBP	4.46	4.43	4.27	4.12	3.92

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.97	3.93	4.12	4.46	4.84
Germany	1.80	1.78	2.12	2.55	2.88
United Kingdom	3.82	4.04	4.17	4.75	5.53
Japan	0.47	0.57	0.80	1.32	2.81

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